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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1952

No. 362

NANCY ANN STORYBOOK DOLLS, INC. (a corporation),
Petitioner,

vs.

DOLLCRAFT COMPANY, a corporation, LESTER F. HINZ and ROBERT E. KERR.
Respondents.

PETITION FOR WRIT OF CERTIORARI to the United States Court of Appeals for the Ninth Circuit AND BRIEF IN SUPPORT THEREOF.

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PETITION FOR WRIT OF CERTIORARI to the United States Court of Appeals for the Ninth Circuit.

To the Honorable Fred M. Vinson, Chief Justice of the United States, and to the Honorable Associate Justices of the Supreme Court of the United States:

The petitioner, Nancy Ann Storybook Dolls, Inc., a corporation organized under the laws of the State

of California, prays that a Writ of Certiorari issue to review the judgment rendered in this case on May 31, 1952 by the United States Court of Appeals for the Ninth Circuit affirming a judgment of the District Court holding invalid a series of trade-marks of this petitioner, cancelling ten registrations granted under the federal trade-mark statutes, and holding that there was no unfair competition by respondents (Rehearing denied July 14, 1952).

OPINIONS BELOW.

The opinion of the District Court is reported in 88 U.S.P.Q. 18. The opinion of the Court of Appeals (R. 458-462) has not yet been reported.

JURISDICTION.

The judgment of the Court of Appeals was entered May 31, 1952 (R. 463). The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254.

QUESTIONS PRESENTED.

The primary question is whether or not the petitioner can be deprived of the important rights of a registrant under the Act of 1905 by the unwarranted cancellation of nine registrations secured under that Act, when the Act does not authorize cancellation by an equity court, unless both parties are *registrants.*

The case presents a serious question as to whether or not the Congress intended that rights under the Act of 1905 are to be swept aside under the terms of the Act of 1946.

The petitioner believes that it is inherently wrong that when the administrative arm, expert in the field and charged with the duty of granting trade-mark registrations, does sanction the registration of a group of marks as technical and fanciful trade-marks, the judicial arm should decide as a blanket proposition that all of the marks are descriptive and that the registrations should be cancelled. If the Congress intended that registrations granted under the Act of 1905 should be cancelled at will in an equity suit, why is there no definite provision to this effect in the 1946 Act?

The case presents a serious question as to whether or not the petitioner can be deprived of the valued right to use the said registrations for jurisdictional purposes outside of the Ninth Circuit in the light of the decision in *Triplett v. Lowell,* 297 U.S. 638, 80 L. Ed. 949.

There is also involved in this case a question as to whether or not there was error in a holding that such trade-marks as STORYBOOK, JUNE GIRL and STORY are descriptive as applied to dolls in the light of the decision in *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.,* 240 U.S. 251, 60 L. Ed. 629, 36 S. Ct. 269, and in view of the fact that these marks do not describe any particular doll or kind of doll or any function or characteristics of such a product.

STATUTES INVOLVED.

The provisions of the Trade-Mark Act of February 20, 1905, as amended, U.S.C., Title 15, Section 81 to Section 108, and of the Act of July 5, 1946, U.S.C., Title 15, Section 1051 to Section 1127, relating to the registration of trade-marks and to the cancellation of registrations must be given careful consideration.

STATEMENT OF THE CASE.

The petitioner, Nancy Ann Storybook Dolls, Inc., adopted and used in its business a series of trade-marks for a new line of miniature, dressed dolls and secured registrations under the existing federal statutes identified as follows:

STORYBOOK, No. 389,114, July 22, 1941.

GOLDILOCKS, No. 395,451, May 26, 1942.

LITTLE BO PEEP, No. 395,454, May 26, 1942.

JUNE GIRL, No. 403,261, September 14, 1943.

MISTRESS MARY, No. 404,576, December 7, 1943.

CURLY LOCKS, No. 404,581, December 7, 1943.

LITTLE MISS DONNET, No. 404,586, December 7, 1943.

RED RIDING HOOD, No. 420,077, March 26, 1946.

LITTLE MISS MUFFET, No. 432,208, August 26, 1947.

STORY, No. 525,896, June 6, 1950.

The plaintiff-counterdefendant in this action, Dollcraft Company, for the obvious purpose of compet-

ing unfairly in the miniature dressed doll business, adopted and used such trade-marks as SUGAR AND SPICE, FAIRYLAND, DOLLS WITH A STORY, RED RIDING HOOD, LITTLE MISS MUFFETT, LITTLE BO-PEEP, MISTRESS MARY, LITTLE MISS DONNETT, CURLY LOCKS and GOLDILOCKS. When this petitioner objected to the infringement of its trade-marks, the Dollcraft Company instituted an action under the Declaratory Relief Act, U.S.C., Title 28, Section 2201 (R. 3) and this petitioner filed an answer and counterclaim (R. 56) charging infringement of its trade-marks and unfair competition in the use of a series of similar marks for the same goods.

At the conclusion of a trial on the issues, the District Court had no difficulty in deciding that FAIRYLAND and SUGAR AND SPICE are good, valid trade-marks, properly registered and infringed by the Dollcraft Company, and so held on December 20, 1950 (R. 124), but the Court made a blanket ruling that the other trade-marks of the petitioner, STORYBOOK, GOLDILOCKS, LITTLE BO-PEEP, JUNE GIRL, MISTRESS MARY, CURLY LOCKS, LITTLE MISS DONNET, RED RIDING HOOD, LITTLE MISS MUFFET and STORY are descriptive, that the petitioner has no trade-mark rights in these terms, that there has been no infringement or unfair competition, and the Court cancelled the federal registrations for the said marks, relying erroneously on the wording of U.S.C.A. Title 15, Section 1119. It is to be understood that only one registra-

tion, No. 525,896 for the word STORY was granted under the Act of 1946, and that although the petitioner urges stoutly that this word is not in any sense descriptive of dolls of any kind, it is recognized that the trial Court could cancel a registration under the Act of 1946 in a proper case. The action was not proper in this proceeding, simply because the word is fanciful as applied to dolls.

The Court of Appeals in its opinion of May 31, 1952 (R. 458) affirmed the decision of the trial Court and declined to consider the question of descriptiveness with respect to certain of the trade-marks, such as STORYBOOK, JUNE GIRL and STORY, and failed to consider the propriety or effect of the action of the District Court cancelling nine federal registrations granted under the Act of 1905.

A timely petition for rehearing was presented to the Court of Appeals by your petitioner, and this was denied without opinion.

It is to be noted that the petitioner urged before the courts below that the federal registrations should not be cancelled, but the case was argued primarily on the ground that the marks should not be deemed to be descriptive of the goods. It is now believed essential in the interests of a just determination of the issues that a full and careful consideration must be given to the exact meaning of the provisions in the two applicable statutes relating to the cancellation of trade-mark registrations.

REASONS FOR GRANTING THE WRIT.

(1) That the Court of Appeals for the Ninth Circuit has decided erroneously an important question of federal law which has not heretofore, but should be, settled by this Court.

(2) That the matter here involved is one of vital importance throughout the United States to those in business who use individual trade-marks applied to specific items, which require protection under existing statutes.

(3) That the effect of the decision of the Court of Appeals is widespread, and if allowed to stand, would not only deprive the petitioner of valuable rights under federal trade-mark registrations, but would be used to deprive others of important rights in protecting trade-marks of value.

(4) That under the express provisions of the Trade-Mark Act of 1905 (15 U.S.C., Sections 93 and 102) a trade-mark registration may be cancelled only in a proceeding before the Commissioner of Patents or by a court of equity when both parties are registrants under that Act, which is not the situation in this case.

(5) The Court of Appeals in its opinion disregarded the provisions of the Act of 1905 in failing to hold that the District Court had no authority under the law to arbitrarily cancel nine federal registrations granted to this petitioner under the said Act.

(6) That the provisions of the Trade-Mark Act of 1946 (15 U.S.C., Sections 1051, 1064 and 1119) do

not alter, enlarge or affect the jurisdiction of an equity court with respect to the cancellation of trademark registrations issued under the Act of 1905.

(7) That the Court of Appeals failed to interpret the provisions of the Act of 1905 and the Act of 1946 with respect to the cancellation of federal registrations and failed to hold that the District Court was without authority under the statutes to cancel the nine federal registrations of this petitioner.

CONCLUSION.

Wherefore, your petitioner prays that this Petition for a Writ of Certiorari be granted and that the judgment of the Court of Appeals for the Ninth Circuit be corrected and reversed.

Dated, San Francisco, California,
September 23, 1952.

Respectfully submitted,
WILLIAM G. MACKAY,
Attorney for Petitioner.

CERTIFICATE OF COUNSEL.

I hereby certify that in my judgment this petition for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit is well founded and not interposed for delay.

Dated, San Francisco, California,
September 23, 1952.

WILLIAM G. MACKAY,
Counsel for Petitioner.

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Respondents.

BRIEF IN SUPPORT OF PETITION.

I.

THE DISTRICT COURT HAD NO AUTHORITY TO CANCEL REGISTRATIONS OF PETITIONER.

It must be recognized that there are distinct differences in the provisions of the Act of 1905 and the Act of 1946 relating to the cancellation of trade-mark registrations, which affect seriously the position and the rights of the petitioner.

Paragraph VII of the judgment of the District Court (R. 126) reads as follows:

> "That trade-mark registrations No. 420,077, dated March 26, 1946; No. 432,208, dated August 26, 1947; No. 395,454, dated May 26, 1942; No. 404,576, dated December 7, 1943; No. 404,586, dated December 7, 1943; No. 404,581, dated December 7, 1943; No. 395,451, dated May 26, 1942; No. 403,261, dated September 14, 1943; No. 389,114, dated July 22, 1941, and No. 525,896, dated June 6, 1950, are invalid and void in law and the registrations thereof are hereby cancelled."

This action cancelling the entire group of ten registrations was grounded on an erroneous conclusion of law No. 25 (R. 122), which reads:

> "That plaintiff-counter-defendant, Dollcraft Co., is entitled to cancellation of the following trade-mark registrations pursuant to provisions of 15 U.S.C.A. Section 119:
>
> No. 389,114—'STORYBOOK'
> 395,451—'GOLDILOCKS'
> 395,454—'LITTLE BO-PEEP'
> 403,261—'JUNE GIRL'
> 404,576—'MISTRESS MARY'
> 404,581—'CURLY LOCKS'
> 404,586—'LITTLE MISS DONNET'
> 420,077—'RED RIDING HOOD'
> 432,208—'LITTLE MISS MUFFET'
> 525,896—'STORY'"

Believing that the District Court was in error in cancelling the entire group of registrations granted under both Acts, the petitioner sought to emphasize the error by the following points on appeal (R. 453):

"1. The United States District Court erred in holding invalid and in ordering the cancellation of appellant's registration of the trade-marks:

No. 389114—'STORYBOOK'
No. 395451—'GOLDILOCKS'
No. 395454—'LITTLE BO-PEEP'
No. 403261—'JUNE GIRL'
No. 404576—'MISTRESS MARY'
No. 404581—'CURLY LOCKS'
No. 404586—'LITTLE MISS DONNET'
No. 420077—'RED RIDING HOOD'
No. 432208—'LITTLE MISS MUFFET'
No. 525896—'STORY'

2. The United States District Court erred in holding that appellant's trade-marks listed under numbered Paragraph 1 above were not validly registered by the United States Patent Office.

3. The United States District Court erred in failing to hold that the trade-marks designated under numbered Paragraph 1 above were validly registered by the United States Patent Office."

Justice requires that a careful analysis be made at this time of the provisions relating to cancellation in the two statutes.

II.

EXISTING STATUTES DO NOT GIVE COURTS JURISDICTION TO CANCEL FEDERAL REGISTRATIONS OF PETITIONER.

It is fundamental that the rights secured by registration of trade-marks under the federal statutes are vitally important in the protection of marks of value used throughout the United States, and this is partic-

ularly true with respect to protection in the federal courts. Even if the District Court in this case could hold that certain trade-marks are descriptive in character, the Court exceeded its authority when it attempted without express statutory authority to cancel registrations under federal laws, which registrations are effective throughout the United States.

The petitioner is entitled to protection under the rule in *Triplett v. Lowell,* 297 U.S. 638, 80 L. Ed. 949, wherein this Court stated:

> "Neither reason nor authority supports the contention that an adjudication adverse to any or all the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the court to render a like decree, it is not res adjudicata and may not be pleaded as a defense. See Mast, F. & Co. v. Stover Mfg. Co., 177 U.S. 485, 44 L. ed. 856, 20 S. Ct. 708; Sanitary Refrigerator Co. v. Winters, 280 U.S. 30, 35, 74 L. ed. 147, 152, 50 S. Ct. 9. The disclaimer statute was enacted to mitigate the harsh rule that the entire patent was destroyed if any claim were held invalid. See Altoona Publix Theatres v. American Tri-Ergon Corp. supra (294 U.S. 490, 79 L. ed. 1013, 55 S. Ct. 455); Ensten v. Simon Ascher & Co., 282 U.S. 445, 452, 75 L. ed. 453, 456, 51 S. Ct. 207; Hailes v. Albany Stove Co., 123 U.S. 582, 589, 31 L. ed. 284, 286, 8 S. Ct. 262; Moody v. Fiske (C.C.) 2 Mason, 112, 118, Fed. Cas. No. 9,745. The statute permits the patentee to abandon by disclaimer parts of the patent which he does not choose to claim, and if the disclaimer is

timely and adequate it authorizes him to maintain suit for infringement of the separable parts which he does choose to claim. *But neither in terms nor by implication does it deny to a patentee the right to bring a second suit for the infringement of a claim already held to be invalid.* If such were its construction it would deny to a patentee the right to re-litigate claims held invalid when others are held valid or are not in issue, but would leave the right unaffected when the entire patent is held invalid, since in that case there would be nothing to disclaim. See Winans v. New York & E. R. Co., 21 How. 88, 103, 16 L. ed. 68, 71. Only a plain legislative command would justify a construction leading to such incongruous results." (Italics ours.)

Obviously, the order of the Court cancelling the registrations would deprive the petitioner of the right to bring another suit in a Federal Court against another defendant or in another circuit, or to have any protection whatever under these registrations. The importance of adequate protection for the petitioner is demonstrated convincingly in *Van Camp v. Packman,* 4 F.S. 522, 524 (D. N.J. 1933); aff'd 79 F. (2d) 511, for in that proceeding the trade-mark was protected on the basis of a showing of secondary meaning, regardless of a decision in another circuit (*Van Camp v. Westgate,* 28 F. (2d) 957) that the trade-mark of the plaintiff was descriptive.

III.

A CONSIDERATON OF PROVISIONS IN THE TRADE-MARK ACT OF 1905 RELATING TO CANCELLATION.

In the first place the 1905 statute contains a provision relating to a proceeding before the administrative officer, the Commissioner of Patents, and this reads as follows:

> "Sec. 13. U.S.C., title 15, sec. 93. That whenever any person shall deem himself injured by the registration of a trademark in the Patent Office he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The Commissioner shall refer such application to the Examiner in charge of Interferences, who is empowered to hear and determine this question and who shall give notice thereof to the registrant. If it appear after a hearing before the Examiner that the registrant was not entitled to the use of the mark at the date of his application for registration thereof, or that the mark is not used by the registrant, or has been abandoned, and the Examiner shall so decide, the Commissioner shall cancel the registration. Appeal may be taken to the Commissioner in person from the decision of the Examiner of Interferences."

In discussing the significance of this provision, Hopkins in Trademarks, Tradenames and Unfair Competition (Fourth Edition—1924, p. 577), a recognized authority, points out that the Committee on Patents of the House of Representatives in their report recommending the passage of the Act said:

> "By Sec. 13 provision is made for the cancellation of registration of marks which may not have

been entitled to registration. The only notice which is required, according to the provisions of the bill, of the application for the registration of a trademark is the publication of the application once in the Official Gazette. The purpose of this provision is to give to the owner of a mark an opportunity to have a prior registration of his mark, if granted, canceled upon a proper showing."

In addition, the 1905 statute contains another provision giving a court of equity limited authority to cancel under certain express conditions, and this reads as follows:

"Sec. 22, U.S.C., title 15, sec. 102. That whenever there are interfering registered trademarks, any person interested in any one of them may have relief against the interfering registrant, and all persons interested under him, by suit in equity against the said registrant; and the court, on notice to adverse parties and other due proceedings had according to the course of equity, may adjudge and declare either of the registrations void in whole or in part according to the interest of the parties in the trademark, and may order the certificate of registration to be delivered up to the Commissioner of Patents for cancellation."

With regard to the meaning of this provision, we refer again to Hopkins—page 583, wherein he points out that the Committee on Patents of the House of Representatives in their report on the subject said:

"Sec. 22 provides for the cancellation of certificates of registration which have been granted to applicants who are subsequently found not to be

> the owners of the marks. This section provides only for the cancellation of trademarks which are in conflict with other registered trademarks. Sec. 13 provides that any person, whether the owner of any registered trademark or not, who may deem himself injured by the registration of a mark, may make application to the Commissioner of Patents to cancel the registration thereof, and proceedings are provided for any such case protecting the rights of the registrant of the mark."

It appears to be settled that a court of equity will not authorize cancellation of a registration under the Act of 1905, Section 22, unless *both parties* are registrants. The issue is considered in *Waldes & Co. v. International Mfg. Ag.,* 237 F. 502 (S.D.N.Y., 1916), wherein it was shown that a globe design was registered for snap buttons in 1910 by the plaintiff, and another globe design was registered in 1915 by the defendant for dress shields, snap fasteners, corset laces, celluloid thimbles and other items. Judge Hand considered the registered designs as being confusingly similar and held that a motion would be granted to cancel the defendant's registration only as applied to snap fasteners.

With regard to the definite limitation of jurisdiction under the terms of the statute, Callman in Unfair Competition and Trademarks, 1945, Vol. 2, p. 175, states:

> "A registered trademark can also be cancelled in a suit in equity if, and *only if, there are interfering registered marks.* The Court may then adjudge and declare either of the registrations

> void in whole or in part, according to the interests of the parties, and he may order the certificate of registration to be delivered to the Commissioner of Patents for cancellation. Thus, the owner of a registered trademark has alternative remedies. He can seek the cancellation of another's mark either in the Patent Office (Section 13) or in a court of equity." (Italics added.)

In *Corning Glass Works v. Thomas E. Robertson,* 65 F. (2d) 476 (C.A.D.C. 1933), cert. den. 54 S. Ct. 33, with regard to a consideration of the Trade-Mark Act of 1905, Sec. 13, and Sec. 22 (15 U.S.C.A., Sec. 93, Sec. 102), Robb, A. J. stated:

> "We are clearly of the view that section 13 authorizes a proceeding in the Patent Office for the cancellation of a registered mark by the owner of a registered mark, and that section 22 provides for an independent equity suit. In other words, concurrent remedies are provided by the two sections, one in the Patent Office, the other in a court of equity."

This statement simply emphasizes the fact that in the 1905 Act there are only two provisions relating to cancellation and that Section 13 provides for a proceeding in the department, whereas Section 22 provides for an action in equity only when both parties are registrants under that statute.

It is also interesting to note that in *Drackett Co. v. Chamberlain Co.,* 81 F. (2d) 866 (C.C.A. 3, 1936), it was held that the federal Courts were without jurisdiction to decide upon a bill of equity brought under

Rev. Stat. Sec. 4915 unless the Commissioner of Patents is made a party to the proceedings. In that case, both the Examiner and the Commissioner had ruled in an opposition proceeding that the mark applied for should be denied registration on account of its descriptiveness. The Court of Appeals upheld the District Court, which had held that, since the Commissioner of Patents was a non-resident of the district within which the Court was situated, it was without jurisdiction under Section 4915:

> "The Commissioner of Patents is an essential party in any contest concerning the descriptive character of the respective trademarks in suit. * * * The appellee, on the other hand, is not an adverse party within the meaning of Section 4915, since there was no ruling that the trademark belonged to it."

And in a consideration of the 1905 Act in *Dwinell-Wright Co. v. National Fruit Product Co.,* 129 F. (2d) 848 (C.C.A. 1st, 1942), Woodbury, C. J., observed that the statute—

> "leaves untouched the question of the effect to be given by the Patent Office in a cancellation proceeding to a previous determination of the question of the validity of a trademark made by a court in an infringement suit between the same parties."

In the case of *United States Ex Rel. The Baldwin Company v. Thomas E. Robertson, Commissioner of Patents,* 265 U.S. 168, 68 L. Ed. 962, this Court considered the matter of cancellation of a trademark reg-

istration under the Act of 1905, and with regard to an action to prevent cancellation, the Court speaking through Chief Justice Taft stated:

> "The main question we have here to consider is whether, by the statutes applicable to procedure in settling controversies over the registration of trademarks in interstate and foreign trade, a remedy by bill in equity to enjoin the Commissioner of Patents from canceling a registered trademark is given to the owner of the trademark so registered. We are to find the answer in Sec. 9 of the Trademark Act (February 20, 1905, 33 Stat. at L. 727, chap. 592, Comp. Stat. Sec. 9494, 9 Fed. Stat. Anno. 2d ed. p. 717) and in Sec. 4915 of the Revised Statutes (Comp. Stat. Sec. 9460, 7 Fed. Stat. Anno. 2d ed. p. 204). Section 9 provides as follows:
>
> 'That if an applicant for registration of a trademark, or a party to an interference as to a trademark, or a party who has filed opposition to the registration of a trademark, or party to an application for the cancellation of the registration of a trademark, is dissatisfied with the decision of the Commissioner of Patents, he may appeal to the court of appeals of the District of Columbia, on complying with the conditions required in case of an appeal from the decision of the Commissioner by an applicant for a patent, or a party to an interference, as to an invention, and the same rules of practice and procedure shall govern in every stage of such proceedings, as far as the same may be applicable.' "

and in further considering the terms of the statute, the Court reasoned:

"The argument is made that Sec. 9 should not be held to authorize the use of a suit in equity for all of the four cases in which appeals are provided to the court of appeals from the Commissioner and are unsuccessful, because, by Sec. 22 of the same act, there is a special provision for a remedy in equity where there are interfering registered trademarks. It is said this excludes the interference that such a remedy is also provided in Sec. 9, on the principle 'expressio unius est exclusio alterius.' An examination of Sec. 22 shows that it refers to an independent suit between claimants of trademarks both of which have already been registered. The Commissioner is not a party to such litigation, but is subject to the decree of the court after it is entered. It is just like the proceeding in Sec. 4918 (Comp. Stat. Sec. 9463, 7 Fed. Stat. Anno. 2d ed. p. 236), to settle controversies between interfering patents already granted by the Patent Office. Section 9 of the Trademark Act is wider than Sec. 22 in its scope. It includes one who applies for registration of an unregistered trademark which interferes with one already registered.

On the whole, we think that our decision in American Steel Foundries Co. v. Robertson, supra, leads us necessarily to sustain the jurisdiction of the supreme court of the district to entertain this bill."

The Court had no difficulty in holding that Section 22 refers to an independent suit in equity only between claimants of trade-marks which have already been registered. Therefore, the decisions of the Dis-

trict Court and the Court of Appeals in this case cancelling nine registrations under the Act of 1905 were made in error without regard to the plain wording of the statute and contrary to the above interpretation by the Supreme Court.

IV.

A CONSIDERATION OF PROVISIONS IN THE TRADE-MARK ACT OF 1946 RELATING TO CANCELLATION.

As pointed out, the action of the District Court was grounded on a conclusion of law No. 25 (R. 122) pursuant to 15 U.S.C.A. Sec. 1119, which reads:

> "Sec. 37. In any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, and otherwise rectify the register with respects to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby."

The above provision cannot be considered as controlling because it refers only to registrations granted under the Act of 1946. It is clear that the District Court failed to consider other pertinent provisions in the statute, namely:

> "Sec. 49 (15 U.S.C. 1051). Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith prior to the effective date of this Act."

and also:

> "Sec. 46(b) (15 U.S.C. 1051). Registrations now existing under the Act of March 3, 1881, or the Act of February 20, 1905, *shall continue in full force and effect for the unexpired terms thereof* and may be renewed under the provisions of section 9 of this Act. Such registrations and the renewals thereof shall be subject to and shall be entitled to the benefits of the provisions of this Act to the same extent and with the same force and effect as though registered on the principal register established by this Act except as limited in sections 8, 12, 14 and 15, of this Act. Marks registered under the 'ten-year proviso' of Section 5 of the Act of February 20, 1905, as amended, shall be deemed to have become distinctive of the registrant's goods in commerce under paragraph (f) of section 2 of this Act and may be renewed under section 9 hereof as marks coming within said paragraph." (Italics ours.)

In connection with the problem of construing the above section, it is important to consider the precise wording of Section 46(a) (15 U.S.C. 1051) wherein it is stated:

> "PROVIDED, That this repeal shall not affect the validity of registrations granted or applied for under any of said Acts prior to the effective date of this Act, or rights or remedies thereunder except as provided in sections 8, 12, 14, 15 and 47 of this Act."

We have in this Act specific and precise provisions as to what may or may not be done, and it does not ap-

pear to be the intent of the law to provide for cancellation of registrations granted under the 1905 Act in the same manner in which registrations granted under the 1946 Act may be cancelled. It is to be understood that if registrations granted under prior Acts are transferred to the Act of 1946 to secure the benefits of that Act, as provided for in Section 12(c) thereof, this would raise the question of the right of an equity Court to cancel such registrations, but the point has never been decided and the nine registrations of the petitioner have not been transferred to the new Act. It is submitted that Section 12(c) of the 1946 Act should not be construed to mean that a registrant is to be deprived of any protection afforded under the terms of the 1905 law unless this is covered by plain and unambiguous language in the 1946 Act.

With regard to the exceptions mentioned in the above section, it is to be observed that section 8 (15 U.S.C. 1058) is not in any sense material to the issues in this proceeding, since it refers only to cancellation by the Commissioner at the end of a six-year term, unless the registrant records an affidavit of use.

The second exception referred to is section 12 (15 U.S.C. 1062c) which provides that registrations granted under the Act of 1905 may be transferred at the request of the registrant to claim the benefits of the Act of 1946, but the important fact here is that the nine registrations of the petitioner have not been republished under the terms of the 1946 Act.

It is to be observed that Section 47 (15 U.S.C. 1051) simply refers to applications and actions pending at the effective date of the 1946 law and this has no pertinency to the problem herein under consideration.

The two remaining exceptions referred to above are sections 14 (15 U.S.C. 1064) and 15 (15 U.S.C. 1065), which read:

> "Sec. 14. Any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this Act, or under the Act of March 3, 1881, or the Act of February 20, 1905, may upon the payment of the prescribed fee, apply to cancel said registration—
>
> (a) within five years from the date of the registration of the mark under this Act; or
>
> (b) within five years from the date of the publication under section 12(c) hereof of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905; or
>
> (c) at any time if the registered mark becomes the common descriptive name of an article or substance on which the patent has expired, or has been abandoned or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsections (a), (b), or (c) of section 2 of this Act for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration hereunder, or if the registered mark has been assigned and is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is

used, or if the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, and has not been published under the provisions of subsection (c) of section 12 of this Act; or

(d) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certified.

PROVIDED, That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (d) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required.

SEC. 15. Except on a ground for which application to cancel may be filed at any time under subsections (c) and (d) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such

registered mark has been in continuous use for five consecutive years subsequent to the date of such registration is still in use in commerce, shall be incontestable: PROVIDED, That—

(1) there has been no final decision to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) hereof; and

(4) no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise."

A careful reading of Section 14, quoted above, shows plainly that it was the intent of Congress to provide that upon the payment of the prescribed fee, any person who believes he is or will be damaged by the registration of a mark under the Act of 1905 may apply to cancel said registration and this refers expressly to a registration *not* published under Section 12c of the 1946 Act.

Actually, this is a case of first impression and there has been no judicial determination of the issues involved, but as to the matter of cancellation of registrations granted under the Act of 1905, it is interesting to note the decision of the Commissioner of Patents in *Federal Trade Commission v. Elder Mfg. Co.*, 84 U.S.P.Q. 429, wherein he stated:

> "It is an elementary rule of construction that when the language of a statute is plain and unambiguous, it must be held to mean what it expresses. Reading the proviso in section 14 either by itself or in connection with the entire section the meaning is plain that the Federal Trade Commission is given no authority to apply to cancel registrations *under the Act of 1905*. In this respect construction of the Act of 1946 beyond its specific provision is forbidden by the Act itself—section 46(a) states that 'nothing contained in this Act shall be construed * * * as restricting or increasing the authority of any Federal department or regulatory agency except as may be specifically provided in this Act.'" (Italics added.)

Although the Trade-Mark Act of 1946 repealed prior trade-mark statutes, it preserved trade-mark registrations granted under the prior Acts and carefully defined their status and specified which provisions would apply to such registrations. It is clear in this case that the trial Court was without jurisdiction to cancel nine registrations secured under the 1905 Act.

V.

FAILURE OF COURT TO DISTINGUISH BETWEEN DESCRIPTIVE AND FANCIFUL TRADE-MARKS AFFECTS SERIOUSLY THE RIGHTS OF PETITIONER.

The petitioner believes that it was manifest error on the part of the Court to hold that the trade-marks STORYBOOK, JUNE GIRL and STORY are descriptive and the registrations invalid. There is not a shred of evidence in the record to indicate that anyone other than the petitioner had ever used these trademarks for dolls. It is obvious that the word "Book" does not in any way describe a doll or any function of a doll. It is obvious also that the word "Story" does not in any manner describe a doll, and it follows, therefore, that the combination of the two words STORYBOOK, constitutes a fanciful trademark, and also that STORY and JUNE GIRL are fanciful marks.

According to any dictionary or word book a "story" is a connected narration and a "book" is a writing, a collection of pages or an assemblage of such material. It follows, therefore, that the notation STORYBOOK has such a broad meaning that it could not possibly be descriptive of dolls and the error of the lower Courts is directly attributable to an association of the fanciful term STORYBOOK with the names of characters in stories for children.

The Courts below were plainly in error in failing to accept and follow the reasoning in *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.,* 240 U.S. 251, 60 L. Ed. 629, 36 S. Ct. 269, wherein this Court said:

"If the mark here in controversy were 'AMERICAN SHOES', these cases would be quite in point. (And see Shaver v. Heller & M. Co., 65 L.R.A. 878, 48 C.C.A. 48, 108 Fed. 821, 826.) But 'THE AMERICAN GIRL' would be as descriptive of almost any article of manufacture as of shoes; that is to say, not descriptive at all. The phrase is quite analogous to 'AMERICAN EXPRESS', held to be properly the subject of exclusive appropriation as a trademark for sealing wax in Dennison Mfg. Co. v. Thomas Mfg. Co., 94 Fed. 651, 653."

It is the duty of the Court to see that there is a free and fair use of words in the public domain, but the trademarks STORYBOOK, JUNE GIRL and STORY do not fit in this category as applied to dolls, regardless of the significance which may attach to the actual names of fictional characters.

In the AMERICAN GIRL case the Court recognized the important difference between fanciful and suggestive trade-marks on the one hand and ordinary descriptive terms on the other. The record in this cause does not show that the above mentioned trademarks are descriptive as applied to dolls or that these marks were ever used as applied to dolls prior to the time these trade-marks were adopted by the petitioner.

VI.

CONCLUSION.

The petitioner feels that the error into which the District Judge fell, and in which error the Court of Appeals followed, consisted in a failure to recognize the difference between fanciful and descriptive trademarks and a failure to recognize the rights of the petitioner under the Trade-Mark Act of 1905 and in holding that the registrations under that Act are cancelled. It is submitted that this was not contemplated by Congress in its enactment of the Trade-Mark Act of 1946.

For the foregoing reasons petitioner prays that this petition for a writ of certiorari be granted.

Dated, San Francisco, California,
September 23, 1952.

Respectfully submitted,
WILLIAM G. MACKAY,
Attorney for Petitioner.

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Office - Supreme Court,
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In the Supreme Court
OF THE
United States

OCTOBER TERM, 1952

No. 362

NANCY ANN STORYBOOK DOLLS, INC. (a corporation),
Petitioner,
vs.
DOLLCRAFT COMPANY, a corporation, LESTER F. HINZ and ROBERT E. KERR,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

OSCAR A. MELLIN,
JACK E. HURSH,
391 Sutter Street, San Francisco, California,
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BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF THE CASE.

The judgment of the Court of Appeals for the Ninth Circuit sought to be reviewed on writ of certiorari was rendered in a suit brought by respondents under the provisions of the Declaratory Judgments Act (28 U.S.C., Sec. 2201*), wherein registrations for alleged trade-marks

*§2201. Creation of remedy.
In a case of actual controversy within its jurisdiction, except with respect to federal taxes, any Court of the United States, upon the filing of an appropriate pleading, may declare the rights

"Red Riding Hood", "Little Miss Muffett", "Little Bo-Peep", "Mistress Mary", "Little Miss Donnett", "Curly Locks", "Goldilocks", "June Girl", "Storybook" and "Story" were held to be invalid and void in law, and the registrations canceled. (R. 126.)

The questions presented on this petition with respect to the validity of the registrations and the cancellation thereof are identical to those raised on the appeal to the Court of Appeals for the Ninth Circuit. (R. 453.) The Court of Appeals for the Ninth Circuit, after a review of the entire record, affirmed the judgment of the District Court, where it was held that the trade-mark registrations here in question were invalid and void in law, and ordered the registrations canceled.

ARGUMENT.

THERE IS NO SPECIAL OR IMPORTANT REASON FOR GRANTING THE PETITION FOR WRIT OF CERTIORARI.

We appreciate that a review on writ of certiorari rests in the sound judicial discretion of this Court, but this Court has always held that such a writ will be granted only where there are special and important reasons therefor. We urge that no such reasons are here presented.

In the instant case petitioner has raised two issues:

(1) That a Court of Appeals or a District Court of the United States, under the provisions of the Trade-mark Act of 1946, has no authority to cancel trade-

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and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

mark registrations issued pursuant to the Trade-mark Act of 1905, if it finds said trade-mark registrations invalid and void in law. This contention of petitioner we submit is entirely erroneous and untenable.

(2) That the Court of Appeals for the Ninth Circuit and the District Court, before whom the instant action was tried, were in error in their fact finding that the names "Red Riding Hood", "Little Miss Muffett", "Little Bo-Peep", "Mistress Mary", "Little Miss Donnett", "Curly Locks", "Goldilocks", "June Girl", "Storybook" and "Story" were primarily descriptive of the goods and within the public domain, and therefore the registrations were invalid and void in law. It is submitted that the questions of descriptiveness of a trade-mark and whether it is used in a trade-mark sense are factual questions, and that the findings of the Court of Appeals for the Ninth Circuit and the District Court, before whom the instant action was tried, are fully supported by the evidence and are not clearly erroneous.

We submit that petitioner has advanced no valid reason under the rules of this Court why this Court should grant the petition.

FEDERAL COURTS HAVE AUTHORITY TO CANCEL INVALID TRADE-MARK REGULATIONS.

Petitioner seeks certiorari mainly on the ground that the trial Court and Court of Appeals for the Ninth Circuit were without authority, after declaring ten trade-mark registrations invalid, to order the same canceled. The Court of Appeals for the Ninth Circuit affirmed the judgment of the lower Court that the alleged trade-

marks were in fact merely descri tive terms and names and not capable of appropriation as trade-marks under the existing law.

The premise of petitioner's arg ment is that the Statute 15 U.S.C. Section 1119, which r ads as follows:

> "In any action involving a registered mark the court may determine the right to registration, order the cancellation of registration, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby."

merely gives the Courts authority to cancel trade-mark registrations which were granted under the Trade-mark Act of 1946, and that it confers no power upon the United States Courts to cancel trade-mark registrations issued under the Acts of 1881 and 1905. The trade-mark registrations in question in this litigation were granted under the Act of 1905, with one exception.

We are convinced that petitioner is in error in this regard because Section 46 (b), 15 U.S.C. 1051, which reads as follows:

> "*Acts of 1881 and 1905.* Registrations now existing under the Act of March 3, 1881, or the Act of February 20, 1905, shall continue in full force and effect for the unexpired terms thereof and may be renewed under the provisions of section 9 of this Act. *Such registrations and the renewals thereof shall be subject to and shall be entitled to the benefits of the provisions of this Act to the same extent and*

with the same force and effect as though registered on the principal register established by this Act except as limited in sections 8, 12, 14 and 15 of this Act. (This italics ours.) Marks registered under the 'ten-year proviso' of section 5 of the Act of February 20, 1905, as amended, shall be deemed to have become distinctive of the registrant's goods in commerce under paragraph (f) of section 2 of this Act and may be renewed under section 9 hereof as marks coming within said paragraph.

"*Act of 1920.* Registrations now existing under the Act of March 19, 1920, shall expire six months after the effective date of this Act, or twenty years from the dates of their registrations, whichever date is later. Such registrations shall be subject to and entitled to the benefits of the provisions of this Act relating to marks registered on the supplemental register established by this Act, and may not be renewed unless renewal is required to support foreign registrations. In that event renewal may be effected on the supplemental register under the provisions of section 9 of this Act.

"*Subject to registration under this Act.* Marks registered under previous Acts may, if eligible, also be registered under this Act. (15 U.S.C. 1051 note.)"

specifically provides that registrations existing under the Act of 1905 shall be subject to the provisions of the Act of 1946.

This statute needs no judicial interpretation to reach that conclusion. However, in seeking to make its point, petitioner calls attention to Section 49, 15 U.S.C. 1051, which reads as follows:

> "Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith prior to the effective date of this Act. (15 U.S.C. 1051 note.)"

It takes a very strained application of Section 49 to support petitioner's contention. This section merely enacts the purpose of the new trade-mark law that the enactment of the Trade-mark Act of 1946 will not affect the force and effect of prior registrations under the Acts of 1881 and 1905.

Thus, we have Section 46(b) quoted above, which provides expressly that existing registrations under the Acts of 1881 and 1905 shall be subject to the provisions of the Act of 1946, which includes the cancellation provision of Section 37, and then we have Section 49, which merely points out that the enactment of the Act of 1946 will not adversely affect the rights or the enforcement of rights in trade-marks acquired prior to 1946. Certainly, where one statute expressly makes the prior registrations subject to all the provisions of the Act of 1946, it should not be nullified by a strained interpretation of a subsequent portion of the Act.

Clearly, it was the intent of the statute to give the Courts effective power to cancel invalid and void trade-mark registrations whether they be under the Acts of 1881, 1905 or 1946. If this were not so, then the state of the law would be one of utter confusion because there would be procedural differences and different judicial powers affecting the trade-mark registration under the various Acts. Certainly, uniformity would require that

all trade-mark registrations be subject to uniform procedural law.

The authority which petitioner cites on page 29 of its brief is not in point because that decision does not hold that the United States Courts do not have the power to cancel registrations under the Act of 1905, but merely holds that "nothing contained in this Act shall be construed * * * as restricting or increasing the authority of any Federal department or regulatory agency except as may be specifically provided in this Act". This is a far cry from holding that the Federal Courts do not have power under the Act of 1946 to cancel trade-mark registrations found to be void in law and improvidently issued in the Patent Office.

Petitioner cannot possibly be deprived of any substantive rights by the mere act of cancellation of the registrations by the Court in this litigation. What petitioner is saying is that instead of the United States Court merely declaring that petitioner's registrations were void in law and invalid and unenforceable (which in effect is cancelation thereof), the Court declared the registrations to be void in law and invalid and ordered them canceled. What can petitioner possibly gain by a mere change in the language or the procedural steps of rendering the registrations invalid, void in law and unenforceable? The ultimate end as far as petitioner's rights are concerned is exactly the same.

Petitioner seems to argue that in some fashion the declaration of cancelation prevents it from relitigating the question in a different circuit and argues that it would

have this right if the Court merely declared the registration invalid and void without cancellation. We believe petitioner to be in error in this argument and that if petitioner has the right to relitigate the question as to the validity of the registrations in another circuit had the Court merely declared the registrations invalid and enenforceable and void in law, then it seems clearly that it would have the same right to relitigate (if it has any such right) where the Court has declared the registrations void in law and entered a judgment of cancellation thereof.

In any event, as far as this petition is concerned, the record shows no one except respondents to be involved in connection with these invalid registrations, and the supposition that some other person, firm or corporation may sometime in the future be subject to suit on these registrations in other jurisdictions seems slight grounds upon which to invoke this Court's jurisdiction. Therefore, the question of whether petitioner has the right to bring actions in other circuits is one that is purely moot, and this Court never has indulged in deciding moot questions.

THE COURT OF APPEALS FOR THE NINTH CIRCUIT AND THE TRIAL COURT FOUND AS A FACT THAT THE TRADE-MARKS HERE INVOLVED WERE DESCRIPTIVE. SAID FINDING WAS BASED UPON SUBSTANTIAL EVIDENCE, AND THEREFORE SHOULD NOT BE REVERSED ON APPEAL.

The District Court that tried the instant action found as a fact that each of the trade-marks here involved was descriptive, entering the following findings:

"20.

The names 'Storybook,' 'Goldilocks,' 'Little Bo-Peep,' 'June Girl,' 'Mistress Mary,' 'Curly Locks,' 'Little Miss Donnett,' 'Red Riding Hood,' 'Little Miss Muffett,' and 'Story' are primarily descriptive and cannot be withdrawn from public use by adoption as a trade-mark. (R. 109.)

* * * * * * *

24.

The names 'Storybook,' 'Goldilocks,' 'Little Bo-Peep,' 'June Girl,' 'Mistress Mary,' 'Curly Locks,' 'Little Miss Donnett,' 'Red Riding Hood,' 'Little Miss Muffett,' and 'Story' are descriptive and do not point to the origin or ownership nor indicate in the slightest degree the person, natural or artificial, who manufactured such dolls or brought them to market." (R. 110-111.)

The Court of Appeals, in affirming this finding of the District Court, said in its opinion the following:

"* * * *It was found as a fact in the district court that the names rejected as trade-marks by the trial judge were descriptive. We agree.* * * * (Italics ours.) (R. 461.)

These findings are fully supported by the testimony of Mr. Rowland, vice president of petitioner, where at R. 258 he admitted that the trade-mark "Red Riding Hood" was descriptive; at R. 259-260 he admitted "Little Bo-Peep", "Little Miss Muffett" and "Little Miss Donnett" were descriptive; at R. 270, 370 and 371 he admitted "Storybook" was descriptive; and at R. 369-370 he admitted that the trade-mark "June Girl" was descriptive. The universally accepted rule that descriptive words are

not capable of adoption as trade-marks is clearly expressed in the case of *Del. & H. Canal Co. v. Clark,* 13 Wall. 311, 323, where this Court said:

> "* * * No one can claim protection for the exclusive use of a trademark or trade name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. Nor can a generic name, or a name merely descriptive of an article of trade, or its qualities, ingredients, or characteristics, be employed as a trademark and the exclusive use of it be entitled to legal protection. * * *"

It is submitted that the question of whether or not a trade-mark is descriptive is one of fact, and where a Court finds as a fact that a trade-mark is descriptive, such finding cannot be attacked unless the same is clearly erroneous. (Rule 52(a) Federal Rules of Civil Procedure.)* The findings of the District Court and of the

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*In all actions tried upon the facts without a jury *or with an advisory jury,* the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. *If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b).*

Court of Appeals in the instant action with respect to the descriptiveness of the trade-marks here involved were fully supported by substantial evidence and are not clearly erroneous. Therefore, it is submitted that the decision of the District Court holding the trade-marks here involved invalid was proper.

CONCLUSION.

We submit:

(1) That there is no special or important reason for granting the petition for writ of certiorari.

(2) That there was no error in the decision of the Court of Appeals for the Ninth Circuit sought to be reviewed.

(3) That the question of descriptiveness of trade-marks is one of fact, and that a finding of fact to the effect that a trade-mark is descriptive, if supported by the evidence, is not reversible on appeal.

Therefore, we respectfully submit that the petition for writ of certiorari should be denied.

Dated, San Francisco, California,
October 6, 1952.

Respectfully submitted,
OSCAR A. MELLIN,
JACK E. HURSH,
Attorneys for Respondents.